

**MYANMAR PAYMENT UNION
PUBLIC COMPANY LIMITED**

(Incorporated in the Republic of the Union of Myanmar)

**FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 March 2025**

Currency - Myanmar Kyat

**U HLA TUN & ASSOCIATES LIMITED
CERTIFIED PUBLIC ACCOUNTANTS**

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MYANMAR PAYMENT UNION PUBLIC COMPANY LIMITED*(Incorporated in the Republic of the Union of Myanmar)***FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION**

DIRECTORS

U Minn Wint Oo	Director
U Zayar Aung	Director
U Than Sein	Director
U Kyaw Soe Lin	Director
U Than Htike Soe	Director
U Myo Wynn Than	Director
U Kyaw Hlaing Win	Director
U Kyaw Thet Oo	Director
Daw Moe Mar Lar	Director
U Ye Htun Oo	Director
Daw Khin Aye Maw	Director
Daw Khin Chaw Su Win	Director
Daw Moe San Oo	Director
U Myo Min Cho	Director
Daw Zin Mar Kyin	Director
Daw Mi Mi Hlaing	Director
Daw Yin Min Aye	Director
U Htun Htun Oo	Director
Sai Aung Min Latt	Director
Daw Theingi Lin	Director
U Myo Thet Naing	Director
U Chit Oo Maung	Director
U Kaung Htet Zaw	Director
U Tin Win	Director
Daw Moe Moe	Director
U Htin Kyaw	Director
Daw Tin Tin Hlaing	Director
Daw Ei Lay Phyu	Director
U Thu Rein	Director
Daw Khin Marlar Kyaw	Director

REGISTERED OFFICE

Sebin Lan Thit, No.2,
Yankin Township,
Yangon, Myanmar (11081)

AUDITOR

U Hla Tun & Associates Limited
Certified Public Accountants

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MYANMAR PAYMENT UNION PUBLIC COMPANY LIMITED

(Incorporated in the Republic of the Union of Myanmar)

FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

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MYANMAR PAYMENT UNION PUBLIC COMPANY LIMITED
STATEMENT OF THE DIRECTORS for the year ended 31 March 2025

The directors are pleased to present their statement to the members together with the audited financial statements of Myanmar Payment Union Public Company Limited ("the Company") for the year ended 31 March 2025.

In our opinion:

- (a) the financial statements set out on pages FS 1 to FS 18 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2025 and the financial performance, changes in equity and cash flows of the Company for year ended on that date.
- (b) the books of accounts have been maintained in accordance with the Section 258 of Myanmar Companies Law 2017.
- (c) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of Directors has, on the date of this statement, authorized these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

- 1. U Minn Wint Oo
- 2. U Zayar Aung
- 3. U Than Sein
- 4. U Kyaw Soe Lin
- 5. U Than Htike Soe
- 6. U Myo Wynn Than
- 7. U Kyaw Hlaing Win
- 8. U Kyaw Thet Oo
- 9. Daw Moe Mar Lar
- 10. U Ye Htun Oo
- 11. Daw Khin Aye Maw
- 12. Daw Khin Chaw Su Win

13. Daw Moe San Oo
14. U Myo Myin Cho
15. Daw Zin Mar Kyin
16. Daw Mi Mi Hlaing
17. Daw Yin Min Aye
18. U Htun Htun Oo
19. Sai Aung Min Latt
20. Daw Theingi Lin
21. U Myo Thet Naing
22. U Chit Oo Maung
23. U Kaung Htet Zaw
24. U Tin Win
25. Daw Moe Moe
26. U Htin Kyaw
27. Daw Tin Tin Hlaing
28. Daw Ei Lay Phyu
29. U Thu Rein
30. Daw Khin Marlar Kyaw

Directors and their interests

There are no shares owned by directors in the Company at the date of this statement.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report.

Continuing Operations

None of the activities of the Company were discontinued or acquired during the year.

Result of the Financial Year

In the opinion of the directors, the results of the operations of the Company during the financial year have not been affected by any item, transaction or event of a material and unusual nature other than the exceptional items and extraordinary items disclosed in the report.

The Company has no recognized gains or losses during the financial year other than the profit or loss stated in the report.

Dividends

During the year, no dividend was paid by the Company.

Share options

During the financial year, there were:

- (i) no options granted by the Company to any person to take up unissued shares in the Company; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

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As at the end of the financial year, there were no unissued shares of the Company under options.

Charges and Contingent Liabilities

Since the end of the financial year no charge on the assets of the Company has arisen which secures the liabilities of any other person. Since the end of the financial year no contingent liability of the Company has arisen. No contingent or other liability of the Company has become enforceable or is likely to become enforceable within a period of twelve months after the end of the financial year which, in the opinion of the director, will or may substantially affect the ability of the Company to meet their obligations as and when they fall due.

On behalf of the Board of Directors



.....
Daw Khin Aye Maw
Director



.....
Daw Moe Mar Lar
Director

Date: August 18, 2025.

Independent Auditors' Report

To the members of Myanmar Payment Union Public Company Limited.

Opinion

We have audited the financial statements of **Myanmar Payment Union Public Company Limited** ("the Company"), which comprise the statement of financial position as at 31 March 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages FS 1 to FS 18.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Myanmar Companies Law and Myanmar Financial Reporting Standards (MFRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2025 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Myanmar Standards on Auditing (MSAs). Our responsibilities under those standards are further described in the '**Auditors' responsibilities for the audit of the financial statements**' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Myanmar, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the Directors' statement, but does not include the financial statements and the auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Myanmar Companies Law and MFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not guarantee that an audit conducted in accordance with MSAs will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

As part of an audit in accordance with MSAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Report on other legal and regulatory requirements

In accordance with the Myanmar Companies Law (2017), we report that;

- (i) we have obtained all the information and explanations we have required and
- (ii) the books and records have been maintained by the Company as required by Section 258 of the Myanmar Companies Law.



(Moe Thida)

Certified Public Accountant
PAPP No. (353)

U Hla Tun & Associates Limited
Shwegon Plaza, 64(B), 1st Floor,
Komin Kochin Road, Bahan Township,
Yangon Region.

19 AUG 2025
Dated: August , 2025.

MYANMAR PAYMENT UNION PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2025

		31 March 2025	31 March 2024
ASSETS	NOTE	MMK	MMK
Cash and Cash Equivalents	6	5,611,863,594	6,155,949,273
Accounts Receivable	7	3,353,393	14,019,331
Other receivable and Prepayment	8	579,415,257	697,104,546
Property, Plant and Equipment	9	3,234,192,347	2,837,039,412
Intangible Assets	10	335,661,136	29,013,074
TOTAL ASSETS		<u>9,764,485,728</u>	<u>9,733,125,636</u>
LIABILITIES			
Accounts Payable	11	212,084,024	189,871,487
Other Payable	12	122,718,252	115,849,219
Income Tax Payable	13	71,906,968	325,172,418
TOTAL LIABILITIES		<u>406,709,244</u>	<u>630,893,124</u>
EQUITY			
Share Capital	14	6,000,000,000	6,000,000,000
Retained Earnings		3,357,776,484	3,102,232,512
TOTAL EQUITY		<u>9,357,776,484</u>	<u>9,102,232,512</u>
TOTAL EQUITY & LIABILITIES		<u>9,764,485,728</u>	<u>9,733,125,636</u>

See accompanying Notes to the Financial Statements.

Authenticated by Directors;



(Daw Khin Aye Maw)

Director



(Daw Moe Mar Lar)

Director

MYANMAR PAYMENT UNION PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2025

		2024 - 2025	2023 - 2024
	Note	MMK	MMK
Data Processing Revenue	15	859,602,196	814,976,467
Service Income	16	<u>28,017,500</u>	<u>13,924,000</u>
		887,619,696	828,900,467
Bank Interest Income	17	562,345,222	615,751,490
Other income	18	<u>22,747,416</u>	<u>16,644,603</u>
Total Income		<u>1,472,712,334</u>	<u>1,461,296,560</u>
Staff related expenses	19	(619,386,207)	(521,720,047)
Network and processing expenses	20	(57,039,818)	(42,855,839)
Depreciation & Amortization	21	(132,381,800)	(54,676,399)
Postage and communication		(66,333,150)	(62,723,146)
General and Administrative expenses	22	<u>(270,721,503)</u>	<u>(225,845,979)</u>
Total Administration, etc		<u>(1,145,862,478)</u>	<u>(907,821,410)</u>
Net Profit before tax		326,849,856	553,475,150
Income Tax Expenses	23	(71,906,968)	(121,764,533)
Unrealised Gain/(Loss)		(6,148)	62,708
Loss on Assets Disposal		-	(436,538)
Net Profit for year after tax		254,936,740	431,336,787
Other Comprehensive Income		-	-
Total Comprehensive Income		<u>254,936,740</u>	<u>431,336,787</u>

See accompanying Notes to the Financial Statements.

Authenticated by Directors;


(Daw Khin Aye Maw)
Director


(Daw Moe Mar Lar)
Director

MYANMAR PAYMENT UNION PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2025

				(MMK)
	Share Capital	Subscription In Advance	Retained Earning/(loss)	Total
Balance at 1 April 2023	6,000,000,000	-	2,670,895,725	8,670,895,725
<u>Changes during the year</u>				
Total comprehensive income for the year	-	-	431,336,787	431,336,787
Balance at 31 March 2024	6,000,000,000	-	3,102,232,512	9,102,232,512
Balance at 1 April 2024	6,000,000,000	-	3,102,232,512	9,102,232,512
<u>Changes during the year</u>				
Adjustment			607,232	607,232
Total comprehensive income for the year	-		254,936,740	254,936,740
Balance at 31 March 2025	6,000,000,000	-	3,357,776,484	9,357,776,484

See accompanying Notes to the Financial Statements.

MYANMAR PAYMENT UNION PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2025

	2024 - 2025	2023 - 2024
	MMK	MMK
(A) Cash flows from operating activities		
Profit before income tax	326,849,856	553,475,150
<u>Adjustment for non-cash items</u>		
Interest Income	(562,345,222)	(615,751,490)
Depreciation	39,252,474	32,675,585
Intangible assets amortized	93,129,326	22,000,814
Disposal Profit /Write-off Assets	206,565	100,959
Net unrealised exchange gain/ (loss)	(6,148)	62,708
Adjustment	607,232	-
Operating profit/ (loss) before working capital changes	(102,305,917)	(7,436,274)
Changes in Operating Assets and Liabilities		
Accounts Receivable	10,665,938	(10,589,316)
Other receivable and Prepayment	(135,761,913)	(147,929,607)
Accounts Payable	22,212,537	109,304,256
Other Payables	6,869,033	(15,165,488)
Cash generated from operations	(198,320,322)	(71,816,429)
Interest received	520,624,006	654,407,789
Income tax paid	(30,000,000)	(128,500,000)
Net cash provided by/(used in) operating activities	(A) 292,303,684	454,091,360
(B) Cash flows from investing activities		
Purchase of property, plant and equipment	(436,611,975)	(2,650,743,625)
Purchase of Intangible assets	(399,777,388)	(12,475,210)
Sales proceed of property and equipments	-	255,000
Net cash provided by/(used in) investing activities	(B) (836,389,363)	(2,662,963,835)
(C) Cash flows from financing activities		
Proceeds on received of issued Shares, representing	-	-
Proceeds from Short Term loans	-	-
Net cash provided by/(used in) financing activities	(C) -	-
Net Increase/(Decrease) in cash and cash equivalents(A)+(B)+(C)	(544,085,679)	(2,208,872,475)
Cash and cash equivalents at beginning of the year	6,155,949,273	8,364,821,748
Cash and cash equivalents at end of the year	5,611,863,594	6,155,949,273

See accompanying Notes to the Financial Statements.

MYANMAR PAYMENT UNION PUBLIC COMPANY LIMITED
(Incorporated in the Republic of Union of Myanmar)

Notes to the financial statements for the year ended 31 March 2025

These notes form an integral part of the financial statements.

1. General

Myanmar Payment Union Public Company Limited (the Company) was registered as a public company limited by shares on July 16, 2015 as certified by DICA new Registration No.111767130 in place of former registration No.1205/2015-2016(YGN). The Company was entitled to commence business as per certificate No.15/2015-16 dated on July 16, 2015.

The registered office of the Company is Sebin Lan Thit, No.2, Yankin Township, Yangon Region, Republic of the Union of Myanmar.

The principal activities of the Company are to provide the e-commerce services and ATM and POS switching services among the banks and making settlement process and to carry out finance related services as allowed occasionally by the Ministry of Planning, Finance and Industry from time to time, by notification, with the approval of the Union Government.

The financial statements of the Company for the year ended March 31, 2025 were authorized for issue by the Board of Directors on 18 August, 2025.

2. Basis of preparation

The financial statements have been prepared under the historical cost basis and in accordance with the Myanmar Financial Reporting Standards ("MFRS").

The accounting policies adopted by the Company is consistent with those adopted in the previous years.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

3. Summary of significant accounting policies

3.1 Foreign currency transactions

The financial statements of the Company are measured and presented in the currency of the primary economic environment in which the Company operates (its functional currency). The functional currency of the Company is assessed to be the Myanmar Kyat.

In preparing the financial statements for the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value, denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary item and on the retranslation of monetary items are recognized in profit or loss for the period.

3.2 **Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Rendering of services and data processing services

Revenue from rendering of services is recognized when the services are rendered.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

3.3 **Income tax**

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit equates to 'profit before tax' as reported in the statement of profit or loss and other comprehensive income because there are minimal items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.4 **Financial instruments**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provision of instruments.

3.4.1 **Financial assets**

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' ("FVTPL"), 'held-to-maturity' investment, 'available-for-sale' ("AFS") financial assets and 'loan and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

(i) **Financial Instruments at Fair Value through Profit or Loss**

Financial instruments classified in this category consist of financial assets held-for-trading. Financial assets are classified as held-for trading if they are acquired principally for the purposes of selling or repurchasing it in the near term.

Financial instruments included in this category are recognized initially at fair value and transaction costs are taken directly to profit or loss. Gains and losses from changes in fair value and dividend income are included directly in "Net gains and losses on financial instruments" in the statement of comprehensive income. Interest income is recognized as "interest income" in the statement of comprehensive income. Regular purchases and sales of financial assets held-for-trading are recognized at settlement date.

(ii) **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including cash and cash equivalents and placement with other financial institutions) are measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

(iii) **Held-to-maturity**

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. If the Company is to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. They are presented as non-current assets, except for those maturing within 12 months after the statement of financial position date which are presented as current assets. These financial assets are initially recognized at fair value including direct and incremental transactions costs, and subsequently measured at amortized cost using the effective interest method. Interest on investment held-to-maturity is included in the statement of income and is reported as "Interest income". Impairment losses, if any, are recognized in the statement of income as "Impairment on other assets".

(iv) **Available-for-sale**

Available-for-sale financial assets are financial assets that are designated as such or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognized in other comprehensive income, except that impairment losses, foreign exchange gains and losses

on monetary instruments and interest calculated using the effective interest method are recognized in profit or loss. The cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognized. Interest income calculated using the effective interest method is recognized in profit or loss. Dividends on an available-for-sales equity instrument are recognized in profit or loss when the Company's right to receive payment is established.

The Company's available-for-sale financial assets comprise investment in unquoted shares. Investments in unquoted share whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets which are not expected to be realized within 12 months after the financial period end are classified as non-current assets.

3.4.2 Financial liabilities

Other non-derivative Financial Liabilities

Other non-derivative financial liabilities are initially recognized at the fair value of consideration received less directly attributable costs. Subsequent to initial recognition, non-derivative financial liabilities are measured at amortized cost. The Company does not have any non-derivative financial liabilities designated at fair value through profit or loss. Financial liabilities measured at amortized cost included deposits from customers, deposits from Company, and other borrowed funds.

3.4.3 Recognition and Derecognition

The Company initially recognized all financial assets and financial liabilities on the date that they are originated and measured initially at fair value.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset are expired or the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. The Company derecognizes a financial liability when the contractual obligations are discharged, cancelled or expired.

3.5 Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investment have been affected, and an impairment loss recognized.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payment; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization; or the disappearance of an active market for that financial assets because of financial difficulties.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial assets. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of loans and advances, where the carrying amount is reduced through the use of an allowance account. When a loan and advance is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

3.6 Impairment of non-financial assets

Non-financial assets, such as property and equipment, investment properties and foreclosed properties, are reviewed for impairment annually, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where such indications exist, the carrying amount of the assets is written down to its recoverable amount, which is the higher of the fair value less costs to sell and the value-in-use. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, fixed deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

3.8 Property and equipment and depreciation

All items of property and equipment are initially recorded at cost. The cost of an item of property and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of replaced parts are derecognized. All other repairs and maintenance are charged to profit or loss when they are incurred.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Subsequent to initial recognition, property and equipment other than freehold land and buildings are measured at cost less accumulated depreciation and any accumulated impairment losses, if any.

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation is computed on a straight-line basis calculated to write off the cost of each asset to its residual value over the term of its estimated useful lives of the assets at the following principal annual rates:

Computer & Electronic Equipment	20% per annum
Motor Vehicle	12.5% per annum
General Equipment	6.25% per annum
Machinery & Equipment	6.25% per annum
Furniture & Fitting	5% per annum

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.6.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognized.

3.9 **Share capital**

Ordinary shares are classified as equity when there is not contractual obligation to transfer cash or other financial assets.

3.10 **Other liabilities**

Other payables represent liabilities for services provided to the Company prior to the end of financial period which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Other payables are initially recognized at fair value, and subsequently carried at cost.

3.11 **Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events. It is probable that the Company will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions are reviewed at each financial year end adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

3.12 **Contingent liabilities**

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognized in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent liabilities and assets are not recognized in the statements of financial position of the Bank in the current and previous financial period ends.

3.13 **Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants act in their economic best interest when pricing the asset or liability.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the financial period end.

3.14 **Related parties**

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Company or of a parent of the Company
- (b) An entity is related to the Company if any of the following conditions:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment defined benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

4. **Critical accounting judgments and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in Note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognized in the financial statements.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key source of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Amortization and useful lives of intangible assets

Intangible assets are amortized on a straight-line basis over the useful lives. The Company reviews the estimated useful lives of intangible assets at the end of each reporting period. The estimated useful lives reflect the management's estimate of the periods that the Company intends to derive future economic benefits from the use of the Company's intangible assets.

The carrying amounts of the Company's intangible assets are disclosed in Note 10.

Depreciation and useful life of property, plant and equipment

Property, plant and equipment are depreciated over their useful lives, using the straight-line method. Management estimates the useful lives of property, plant and equipment, based on expected usage and industry norms. Changes in the expected level of maintenance, usage and technological developments could impact the useful lives and residual values of these assets, therefore future depreciation charges could be revised.

5. Financial Instruments, Financial Risk and Capital Management

(a) Categories of financial instruments

The following table sets out the financial instruments as the end of the reporting period:

	31 March 2025	31 March 2024
	(MMK)	(MMK)
Financial assets		
Loans and receivables at amortized cost:		
Cash & Cash equivalents	5,611,863,594	6,155,949,273
Accounts receivable	3,353,393	14,019,331
Other receivable	209,840,274	168,119,058
	<u>5,825,057,261</u>	<u>6,338,087,662</u>
Financial liabilities		
At amortized cost:		
Accounts and Other payable	<u>279,522,460</u>	<u>264,622,150</u>

(b) Financial risk management policies and objectives

The Company's overall risk management programme seeks to minimize potential adverse effects on the financial performance of the Company.

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates, interest rates and liquidity risk.

The Company does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(i) Foreign exchange risk management

The company's foreign currency exposures arise mainly from the exchange rate movements of United States Dollar against the Myanmar Kyats.

Those exposures are managed primarily by using natural hedges that arise from offsetting assets and liabilities that are denominated in foreign currencies.

Exposures to foreign currency risk is monitored and on-going basis by the company to ensure that the net exposures is at an acceptable level, as the company analysis its transactional exposure by a policy of matching, as far as possible, receipts and payments in each individual currency.

(ii) Interest rate risk management

The Company does not hold interest bearing financial assets or financial liabilities and is not exposed to significant interest rate risk, hence no sensitivity analysis has been performed.

(iii) Credit risk management

Cash and cash equivalents are placed with reputable financial institutions.

The carrying amount of financial assets recorded in the financial statements, net any allowances for impairment losses, represents the Company's maximum exposure to credit risk.

Further details of credit risks on other receivables are disclosed in Note 8 to the financial statements.

(iv) Liquidity risk management

In the management of the liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuation in cash flows. The management manages liquidity risk by maintaining adequate reserves and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity risk analysis

Liquidity risk is managed by matching the payment and receipt cycle. The Company's operations are financed mainly through equity and accumulated profits.

All financial assets and financial liabilities in 2024 March and 2025 March are due on demand or due within 1 year from the end of the reporting period.

(v) Fair values of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities on the statement of financial position approximate their respective fair values due to the relatively short-term maturity of these financial instruments, unless otherwise mentioned in the financial statements.

(c) Capital management policies and objectives

The Company reviews its capital structure at least annually to ensure that the Company will be able to continue as a going concern.

The capital structure of the Company comprises only of share capital, advance capital and accumulated profit.

6. Cash & Cash equivalents

	31 March 2025	31 March 2024
	(MMK)	(MMK)
Cash and balances with Central Bank	37,068,089	121,182,615
Cash and balances with banks	650,829,245	909,273,393
Fixed Deposits	4,920,000,000	5,120,000,000
Cash in hand	3,966,260	5,493,265
	<u>5,611,863,594</u>	<u>6,155,949,273</u>
	=====	=====

7. Accounts Receivable

	31 March 2025	31 March 2024
	(MMK)	(MMK)
Settlement Income for MPU Card	3,337,231	13,357,955
Settlement Income for UPI Card	55	51,623
Settlement Income for JCB Card	16,107	39,753
Certification and other fee from member banks	-	570,000
	<u>3,353,393</u>	<u>14,019,331</u>
	=====	=====

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8. **Other receivable and prepayments**

	31 March 2025 (MMK)	31 March 2024 (MMK)
Interest Receivable		
Amount due from Related Parties		
AYA Bank- Fixed Deposit Interest	63,838,356	54,570,697
MOB Bank - Fixed Deposit Interest	146,001,918	113,548,361
Prepayments And Advances	333,152,322	197,390,409
Advance Tax - Corporate Income Tax	36,422,661	331,595,079
	<u>579,415,257</u>	<u>697,104,546</u>

9. **Property, Plant and equipment**

	Land - Yangon & Nay Pyi Taw	Computer & Electronic Equip:	Motor Vehicle	General Equip:	Machinery	Furniture	Total
Cost							
At 1 st April 2024	2,748,660,455	779,935,778	28,920,000	23,659,476	41,479,000	16,898,500	3,639,553,209
Additions	276,094,600	79,977,375	-	930,000	77,220,000	2,390,000	436,611,975
Write-off/Disposal	-	(177,671,639)	-	-	-	(490,500)	(178,162,139)
At 31 March 2025	<u>3,024,755,055</u>	<u>682,241,514</u>	<u>28,920,000</u>	<u>24,589,476</u>	<u>118,699,000</u>	<u>18,798,000</u>	<u>3,898,003,045</u>
Accumulate Depreciation							
At 1 st April 2024	-	748,719,693	12,652,500	11,453,968	23,293,081	6,394,555	802,513,797
Depreciation for the year	-	26,020,037	3,615,000	1,439,696	7,253,624	924,117	39,252,474
Write off/Disposal	-	(177,671,625)	-	-	-	(283,948)	(177,955,573)
At 31 March 2025	<u>-</u>	<u>597,068,105</u>	<u>16,267,500</u>	<u>12,893,664</u>	<u>30,546,705</u>	<u>7,034,724</u>	<u>663,810,698</u>
Net Book Value at 31 Mar 2025	<u>3,024,755,055</u>	<u>85,173,409</u>	<u>12,652,500</u>	<u>11,695,812</u>	<u>88,152,295</u>	<u>11,763,276</u>	<u>3,234,192,347</u>
Net Book Value at 31 Mar 2024	<u>2,748,660,455</u>	<u>31,216,085</u>	<u>16,267,500</u>	<u>12,205,508</u>	<u>18,185,919</u>	<u>10,503,945</u>	<u>2,837,039,412</u>

10. **Intangible Assets**

	Software	Data Centre renovation costs	Installation and engineering service charges	Total
	MMK	MMK	MMK	MMK
Cost:				
At 1 st April 2024	669,584,405	221,752,800	7,456,609	898,793,814
Additions	399,777,388	-	-	399,777,388
At 31 st March 2025	<u>1,069,361,793</u>	<u>221,752,800</u>	<u>7,456,609</u>	<u>1,298,571,202</u>
Accumulated Amortization:				
At 1 st April 2024	640,571,331	221,752,800	7,456,609	869,780,740
Amortization for the year	93,129,326	-	-	93,129,326
At 31 st March 2025	<u>733,700,657</u>	<u>221,752,800</u>	<u>7,456,609</u>	<u>962,910,066</u>
Carrying Amount:				
At 31 st March 2025	<u>335,661,136</u>	<u>-</u>	<u>-</u>	<u>335,661,136</u>
At 31 st March 2024	<u>2,9013,074</u>	<u>-</u>	<u>-</u>	<u>29,013,074</u>

11. Accounts Payable

	31 March 2025 (MMK)	31 March 2024 (MMK)
2C2P Co, Ltd	191,937,935	25,074,635
FPT Myanmar Co., Ltd	-	164,796,852
Others	20,146,089	
	<u>212,084,024</u>	<u>189,871,487</u>
	=====	=====

12. Other Payable

	(MMK)	(MMK)
Accrued Expenses	57,578,436	58,259,663
Deferred Income	9,860,000	10,510,000
ASEAN Payment Network Fee	-	5,229,000
Myanmar Fire Protection Co., Ltd	-	666,600
GMO-Z.com ACE Co., Ltd	-	85,400
Provident Fund	55,279,816	41,098,556
	<u>122,718,252</u>	<u>115,849,219</u>
	=====	=====

13. Income Tax Payable

	31 March 2025 (MMK)	31 March 2024 (MMK)
Corporate Income Tax	71,906,968	325,172,418
	<u>71,906,968</u>	<u>325,172,418</u>
	=====	=====

14. Share Capital

	<u>Number of Ordinary Share</u>		<u>Amount - MMK</u>	
	<u>31 March 2025</u>	<u>31 March 2024</u>	<u>31 March 2025</u>	<u>31 March 2024</u>
At the beginning of the year	600,000	600,000	6,000,000,000	6,000,000,000
Issuance of share capital	-	-	-	-
	<u>600,000</u>	<u>600,000</u>	<u>6,000,000,000</u>	<u>6,000,000,000</u>
	=====	=====	=====	=====

15. Data Processing Revenue

	2024 - 2025 (MMK)	2023 - 2024 (MMK)
Settlement Income- Myanmar Payment Union (MPU) Card	852,994,111	805,722,648
Settlement Income- Union Pay International (UPI) Card	4,971,927	7,491,341
Settlement Income- Japan Credit Bureau (JCB) Card	1,477,526	1,762,478
Settlement Income- MIR Card	158,632	-
	<u>859,602,196</u>	<u>814,976,467</u>
	=====	=====

16. Service Income

	2024 - 2025 (MMK)	2023 - 2024 (MMK)
E-Commerce Merchant Portal Fee	3,017,500	2,924,000
POS Certification Fee	16,000,000	3,000,000
Card Certification Fee	9,000,000	8,000,000
	=====	=====
	28,017,500	13,924,000

17. Bank Interest Income

	(MMK)	(MMK)
Fixed Deposit Account and Saving Account	562,345,222	615,751,490
	=====	=====

18. Other income

	(MMK)	(MMK)
Switch Certification Fee	5,000,000	15,000,000
Other	17,747,416	1,644,603
	=====	=====
	22,747,416	16,644,603

19. Staff Related expense

	(MMK)	(MMK)
Salaries	558,759,937	458,320,971
Bonus	32,230,000	30,573,050
Meal Allowance	3,742,300	2,987,000
Uniform Allowance	8,611,000	13,769,100
Staff Costs	3,833,250	6,205,000
Provident fund contribution	12,209,720	9,864,926
	=====	=====
	619,386,207	521,720,047

20. Network & Processing Expenses

	(MMK)	(MMK)
License Fee Charges	24,199,000	20,764,832
E-Commerce Communication Charges	148,050	1,082,550
Data Transfer Fees	119,700	232,470
E-commerce SMS charges	32,573,068	20,775,987
	=====	=====
	57,039,818	42,855,839

21. Depreciation and Amortisation

	(MMK)	(MMK)
Depreciation	39,252,474	32,675,585
Amortization	93,129,326	22,000,814
	=====	=====
	132,381,800	54,676,399

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22. **General & Administrative Expenses**

	2024 - 2025 (MMK)	2023 - 2024 (MMK)
Transportation & Handling Cost	1,701,100	1,650,000
Electricity Charges	35,333,620	23,276,340
Auditing Fees	11,036,546	11,012,000
Repair & Maintenance	26,361,750	21,888,687
Printing & Stationery	2,544,100	4,187,100
Entertainment	4,109,650	6,316,520
Petrol & Diesel	17,757,647	11,574,868
Loss on asset written off	206,565	100,959
Insurance	1,213,700	745,230
Bank Service Charges	5,267,939	12,885,984
Company Related Expenses	22,965,200	369,500
Donation	4,000,000	3,000,000
Travelling	15,082,609	24,964,600
Others	8,708,900	5,983,350
Promotion & Outreach	38,176,348	33,190,002
Exchange (Profit)/Loss	2,185,013	1,501,344
Vaccine	3,341,000	-
ASEAN Payment Network fee	59,514,817	57,199,495
Hiring charges	11,215,000	6,000,000
	270,721,503	225,845,979

23. **Income tax expense**

	(MMK)	(MMK)
Current Year Tax	71,906,968	121,764,533

Domestic income tax is calculated at 22% (2023-2024: 22%) of the estimated net assessable income for the year.

24. **Related Companies and Ownership Structure**

The Company is owned by 30 corporate shareholders (2023-2024: 30 corporate shareholders), which are incorporated in Myanmar and each are holding 3.33% (2023-2024: 3.33%) interest in the Company.

25. **Related Party Transactions and Balances**

Transactions during the year

	Nature of Transactions	2024- 2025 (MMK)	2023- 2024 (MMK)
AYA Bank (Shareholder)	Bank interest income	327,988,652	270,278,848
MOB Bank (Shareholder)	Bank interest income	234,334,333	345,471,221
NDB Bank (Shareholder)	Bank interest income	22,237	1,421
Key management personnel	The remuneration (Short-term benefits)	5,000,000	3,100,000
<u>Balance as at the year end</u>			
(Amount due from related parties)			
	Nature of Balance	31 Mar 2025	31 Mar 2024
AYA Bank (Shareholder)	Bank interest receivable	63,838,356	54,570,697
MOB Bank (Shareholder)	Bank interest receivable	146,001,918	113,548,361

26. **Impact of natural disaster to the financial statements**

On 28 March 2025, a 7.7 magnitude of earthquake struck Myanmar with an epicenter located near to Mandalay and Sagaing. The disaster resulted in over 3,700 fatalities and caused extensive damage to more than 51,000 homes and critical public infrastructure, including bridges, roads, airports, water systems, power stations, and telecommunications towers.

Following the earthquake on 28 March 2025, expert assessments are currently underway to evaluate the extent of damage to the Company's assets and to identify any potential impacts on its customers. As of the reporting date, insurance claims have not yet been submitted.

At this stage, till at the date of issue of financial statements, the financial impact cannot be reliably estimated and as a result, no impairment losses, repair cost, write-offs, emergency expenditures, or relocation expenses have been recognized in the current reporting period. Those will be recognized once the assessments are complete and the financial effects can be measured with reasonable certainty and will be reflected in the financial statements for the year ending 31 March 2026.